

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of United Utility Companies, Inc.  
for adjustment of rates and charges and  
modifications to certain terms and  
conditions for the provision of water and  
sewer service.

235074  
BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET  
NUMBER: 2009 - 479 - W/S

Posted: led

Dept: S.A

(Please type or print)

Submitted by: John M. S. Hoefer, Esquire

SC Bar Number: 2549

Address: Post Office Box 8416

Telephone: 803-252-3300

Columbia, SC 29202

Fax: 803-771-2410

Other:

Email: jhoefer@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input checked="" type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input checked="" type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

Print Form

Reset Form

RECEIVED

FEB 08 2012

PSC SC  
MAIL / DMS

**WILLOUGHBY & HOEFER, P.A.**

ATTORNEYS & COUNSELORS AT LAW

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P.O. BOX 8416

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ELIZABETHANN LOADHOLT FELDER  
ANDREW J. MACLEOD  
CHAD N. JOHNSTON  
JOHN W. ROBERTS

AREA CODE 803  
TELEPHONE 252-3300  
TELECOPIER 256-8062

\*ALSO ADMITTED IN TX

February 8, 2012

**VIA HAND DELIVERY**

The Honorable Jocelyn Boyd  
Chief Clerk / Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29211

RECEIVED

FEB 08 2012

PSC SC  
MAIL / DMS

SC PUBLIC SERVICE  
COMMISSION

2012 FEB -8 PM 12:27

RECEIVED

RE: Application of United Utility Companies, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service; Docket No. 2009-479-WS

Dear Mrs. Boyd:

Enclosed for filing please find the original and ten (10) copies of the parties' Proposed Settlement Agreement in the above-referenced docket. I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me via our courier.

By copy of this letter, I am serving counsel of record with a copy of the Proposed Settlement Agreement and enclose a certificate of service to that effect.

(Continued...)

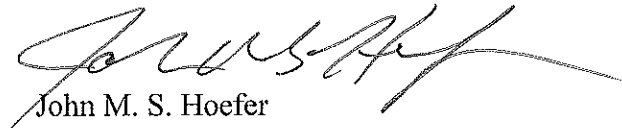
The Honorable Jocelyn Boyd  
February 8, 2012  
Page 2

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If you have any questions, or need additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

**WILLOUGHBY & HOEFER, P.A.**



John M. S. Hoefer

JMSH/cm  
Enclosure

cc: Nanette S. Edwards, Esquire  
Jeffrey Nelson, Esquire  
Duke K. McCall, Jr., Esquire

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-479-W/S

RECEIVED  
2012 FEB -8 PM 12:27  
SC PUBLIC SERVICE  
COMMISSION

IN RE:

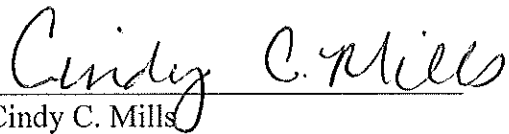
Application of United Utility Companies,  
Inc. for adjustment of rates and charges  
and modifications to certain terms  
and conditions for the provision of  
water and sewer service.

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of the **Settlement Agreement** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Nanette S. Edwards, Esquire  
Jeffrey Nelson, Esquire  
**Office of Regulatory Staff**  
1401 Main Street, Suite 900  
Columbia, SC 29201

Duke K. McCall, Jr., Esquire  
**Smith Moore Leatherwood, LLP**  
Post Office Box 87  
Greenville, SC 29602

  
Cindy C. Mills

Columbia, South Carolina  
This 8<sup>th</sup> day of February, 2012.

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-479-W/S  
January 12, 2012

RECEIVED  
2012 FEB -8 PM 12:27  
SC PUBLIC SERVICE  
COMMISSION

IN RE:

Application of United Utility Companies,  
Inc., for adjustment of rates and charges  
and modifications to certain terms and  
conditions for the provision of water and  
sewer service

**SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is submitted for Commission approval by United Utility Companies, Inc. ("UUC or the Company"), North Greenville University, ("NGU") and the Office of Regulatory Staff ("ORS") (together referred to as the "Parties" or sometimes individually as "Party").

WHEREAS, the above-captioned proceeding was initiated by the filing of an Application of the Company for an increase in its rates and charges for water and sewer service; and

WHEREAS, in its Order Nos. 2010-375 and 2011-75 the Public Service Commission of South Carolina (the "Commission") denied the Company's request for a rate increase and UUC appealed the Commission's orders to the Supreme Court; and

WHEREAS, the Parties, who are the only parties of record in the above-captioned docket have varying legal positions regarding the issues in this case; and

WHEREAS, UUC, NGU and ORS have reached an agreement to settle the matter on appeal and as such seek Commission review and approval of this Agreement.

NOW, THEREFORE, the Parties hereby jointly propose the following terms of settlement which, if adopted by Commission Order, will address all issues arising from the above-captioned docket currently on appeal:

1. **Moratorium.** UUC agrees that it will not file an application for rate relief with the Commission for a rate increase in its water or sewer rates until after January 1, 2013 and acknowledges that any such application may only be made to the Commission.

2. **Revenue requirement.** UUC, NGU, and ORS agree that the combined revenue increase for water and sewer is \$150,263. The revenue increase for water is \$30,043 and \$120,220 for sewer. The rates permitting UUC to earn an additional \$150,263 annually are set forth in Exhibit 1 (Schedule of Rates and Charges) to this Agreement.

3. **Provisions affecting NGU.** (i) UUC shall bill NGU based on 299 SFEs, equivalent to the sum of \$15,997.00 per month effective December 1, 2011 with the understanding that this monthly amount will not be increased further until after June 30, 2013, and NGU accepts the amount of 299 SFEs and to pay the sewer charge on that basis with the understanding that the 299 SFEs will not be increased until after December 31, 2012; (ii) all past claims, issues, disputes, or matters which could be claimed or disputed by or among UUC and NGU regarding this matter are null and void and dismissed with prejudice; (iii) neither NGU nor UUC, their successors, assigns or subsidiaries will seek any retroactive charges, actions, or claims against each other arising out of their relationship with each other which now exist or may occur between the date of this settlement and January 1, 2013; and (iv) UUC and NGU expressly waive all claims which exist or may exist or be incurred prior to January 1, 2013, against the

other party to this agreement, its successors, subsidiaries or assigns, and this restriction shall apply to any and all claims, charges, actions which could be asserted through January 1, 2013.

4. **Rate case expenses.** No additional rate case expenses shall apply to rate base. The Company may amortize over five years the rate case expenses of \$123,033 recommended by ORS at hearing. Any additional rate case expenses may be carried on UUC's books and amortized over a five year period, but in no event shall such additional rate case expenses be included in rate base as a part of this proceeding or any future proceeding.

5. **Tariff Modifications.** The tariff modifications as set forth in ORS's proposed order, other than the monthly service rates, shall apply and are set forth in Exhibit 1 (Schedule of Rates and Charges) to this Agreement.

6. **Reporting.** A report regarding the iron sediment in Trollingwood shall be provided to the Commission and ORS; if appropriate, the company shall conduct additional flushing.

7. **Vacancy surveys.** Vacancy surveys that are not entirely reliant on Customer Care & Billing ("CC&B") shall be conducted at least annually by UUC, beginning on the first anniversary of a Commission order approving this Agreement, and the results reported to ORS and the Commission.

8. Regarding Paragraph 3 above wherein UUC and NGU have agreed that NGU will be billed based on 299 SFE's, ORS is not prohibited in any future rate case, to impute or make recommendations that would effectively impute additional SFE's, based upon the results of ORS's audit and examination.

9. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

The Settlement Agreement reached among the Parties serves the public interest as defined above.

10. The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein;

11. If this Settlement Agreement is approved by the Commission, UUC agrees to dismiss with prejudice its appeal. If the Commission should decline to approve the Agreement in its entirety, then any Party desiring to do so may withdraw from the Agreement without penalty or obligation.

12. Except as otherwise expressly provided herein, the Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions



held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings.

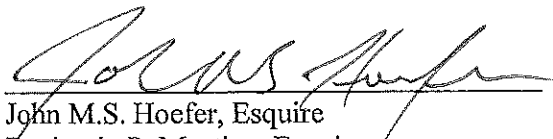
13. The Agreement shall be interpreted according to South Carolina law.

14. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

[SIGNATURE PAGES FOLLOW]

Handwritten signature and initials in the bottom right corner. The signature appears to be "JWSA" and the initials below it are "WZS".

**Representing United Utility Companies, Inc.**



John M.S. Hoefer, Esquire

Benjamin P. Mustian, Esquire

**Willoughby & Hoefer, P.A.**

Post Office Box 8416

930 Richland Street

Columbia, SC 29202-8416

Phone: (803) 252-3300

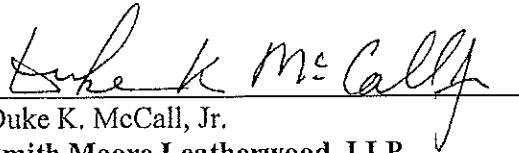
Fax: (803) 256-8062

E-mail: [jhoefer@willoughbyhoefer.com](mailto:jhoefer@willoughbyhoefer.com)

[bmustian@willoughbyhoefer.com](mailto:bmustian@willoughbyhoefer.com)

WZ

**Representing North Greenville University**



Duke K. McCall, Jr.

**Smith Moore Leatherwood, LLP**

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Greenville, SC 29602

Phone: 864-242-6440

Fax: 864-240-2474

Email: [duke.mccall@smithmoorelaw.com](mailto:duke.mccall@smithmoorelaw.com)



**Representing the South Carolina Office of Regulatory Staff**



Nanette S. Edwards, Esquire

**South Carolina Office of Regulatory Staff**

Post Office Box 11263

1401 Main Street

Columbia, SC 29211

Phone: (803) 737-0575

Fax: (803) 737-0895

E-mail: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)



WATER

1. Monthly Charges

Residential –

Monthly charge per single-family house, condominium, mobile home or apartment unit:

Basic Facilities Charge	\$15.18 per unit
Commodity Charge	\$7.79 per 1,000 gallons or 134 cft.

Commercial

Basic Facilities Charge	\$15.18 per SFE
Commodity Charge	\$7.79 per 1,000 gallons or 134 cft.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. Non-Recurring Charges

A) Water service connection charge per single-family equivalent*	\$100.00
B) Plant Impact fee per single-family equivalent*	\$400.00

70318  
nr2

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only. \$25.00
- b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2 %) for each month, or any part of a month, that said payment is late.

6. Cross Connection Inspection

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F (Supp. 2008), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F (Supp. 2008), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. If a customer fails to comply with the requirement to perform annual inspections, the utility may, after 30 days' written notice, disconnect water service. The Utility shall provide affected customers with an advanced annual notification of such certification requirement.

7. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capability of the Utility, the Utility may, in lieu of mailing a paper copy, provide an electronic bill to the customer on the Utility's website. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-732.2 (Supp. 2008) as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty-four of its issuance and the web address of its location.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

\* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities - 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2008), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SEWER

1. Monthly Charges

Residential –

Monthly charge per single-family  
house, condominium, villa,  
or apartment unit:

\$53.50 per unit

Mobile Homes - monthly charge

\$39.46 per unit

Commercial - monthly charge  
per single-family equivalent\*

\$53.50

Charge for Sewage Collection Service Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential - monthly charge per  
single-family house, condominium,  
mobile home, or apartment unit

\$27.35 per unit

Commercial - monthly charge per  
single-family equivalent\*

\$27.35

The Utility will also charge for treatment services provided by the government body or agency or other entity. The rates imposed or charged by the government body or agency or other entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rate basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted

*QWSH*  
*WSH*



service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. Non-recurring Charges

- |  |          |
|--|----------|
| A) Sewer service connection charge per single-family equivalent* | \$100.00 |
| B) Plant Impact fee per single-family equivalent*                | \$400.00 |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of six dollars (\$6.00) shall be charged each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge: A fee of twenty-five dollars (\$25.00) shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnection service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Docket No. 2009-479-WS, Order No. 2012-\_\_\_\_\_  
Date: January\_\_\_\_, 2012

Exhibit 1  
UNITED UTILITY COMPANIES, INC.

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2 %) for each month, or any part of a month, that said payment is late.

*WST*  
*WST*

6. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capability of the Utility, the Utility may, in lieu of mailing a paper copy, provide an electronic bill to the customer on the Utility's website. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-532.1 (Supp. 2008) as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty-four of its issuance and the web address of its location.

7. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the utility for all damages and costs, including reasonable attorney's fees, incurred by the utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its sewer system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the

serving sewer system. In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

\* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities - 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2008), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

*[Handwritten signature]*  
*nrr*